

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2211 Nondigital Switching	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly assigned to regulated.	Includes prior Accounts 2211 and/or 2215.	✓	✓	✓	✓
	Analog Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage.	AOCs use call volumes (messages); SWBT uses messages. AOCs (except for one state), SWBT's investment is frozen.			✓	✓
2212 Digital Electronic Switching	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly assigned to nonregulated.	This cost pool is rarely used by NB.	✓	✓	✓	✓

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	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2212 Digital Electronic Switching (Cont.)	Packet Switch Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage.	AOCs use logical channels; PB uses 128 byte segments; SWBT uses kilosegments. PB and SWBT's investment is frozen.	✓		✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.		✓		✓	✓
	CDAR Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on forecasted annual usage.	AOCs use call volumes (messages); PB uses cpu seconds; SWBT uses messages; NB uses COE usage study. PB and SWBT's investment is frozen.	✓	✓	✓	✓
	Automated Attendant Cost Pool	Analysis of property records	Directly attributed to nonregulated.	This investment is frozen.		✓		
2220 Operator Systems	Direct Cost Pool	Based on description of accounting code and specific identification of equipment in accounting records.	Directly assigned to nonregulated.				✓	
	Operator Systems Frozen Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-call volumes.	This investment is frozen.			✓	

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2220 Operator Systems (Cont.)	Operator Systems Cost Pool	Based on description of accounting codes.	Directly attributed based on peak forecasted annual usage-call volumes.		✓	✓	✓	✓
2231 Radio Systems	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.		✓			
2232 Circuit Equipment	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	This cost pool is rarely used by NB.	✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.		✓		✓	✓
2311 Station Apparatus	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	This pool is not used by the Companies. Not Applicable (Uniformity - cost pool not in use).				
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.				✓	✓

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2321 Customer Premises Wiring	Direct Cost Pool	Cost pool equals account.	Directly assigned to regulated.					✓
2341 Large PBX	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Regulated investment includes Customer Premises Equipment for 911 emergency systems and embedded (as of 1/1/83) investment in centrex service (Plexar) <sup>®</sup> consoles.			✓	
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓		✓	✓
2351 Public Telephone Terminal Equipment	Direct Cost Pool	Cost Pool equals account.	Directly assigned to nonregulated.		✓		✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓		✓	✓
2362 Other Terminal Equipment	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓		✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓		✓	✓
2411 Poles	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓		✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓			

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2421 Aerial Cable	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Aerial Cable IP Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-living units.				✓	
2422 Underground Cable	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Underground Cable IP Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-living units.				✓	
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.		✓		✓	✓
2423 Buried Cable	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Buried Cable IP Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-living units.				✓	
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.					✓
2424 Submarine and Deep Sea Cable	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	The Companies do not use submarine cable in the provision of nonregulated activities. Includes prior Accounts 2424 and/or 2425.	✓		✓	✓
2426 Intrabuilding Network Cable	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	The Companies do not use intrabuilding network cable in the provision of nonregulated activities.	✓	✓	✓	✓

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2431 Aerial Wire	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	The Companies do not use aerial wire in the provision of nonregulated activities.	✓	✓	✓	
2441 Conduit Systems	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓			
	Signaling Cost Pool	Based on description of accounting codes and analysis of equipment inventory records.	Directly attributed based on peak forecasted annual usage-octets.		✓		✓	✓
2681 Capital Leases	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Pacific Bell rarely uses this pool.	✓			
	Directly Attributed Regulated Cost Pool	Based on description of accounting codes and lease study.	Directly attributed to regulated.	Pacific Bell rarely uses this pool.	✓			
	Directly Attributed Nonregulated Cost Pool	Based on description of accounting codes and lease study.	Directly attributed to nonregulated.	Pacific Bell rarely uses this pool.	✓			
	Capital Lease-Office Equipment Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on Company current month salaries and wages, excluding salaries and wages in Accounts 2211 through 2441, and 6211 through 6441.		✓		✓	
	Capital Lease-General Purpose Computer Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative investment value of Account 2124, General Purpose Computers.		✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2681 Capital Leases (Cont.)	Capital Lease-Motor Vehicle Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative investment value of Account 2112, Motor Vehicles.		✓		✓	
	Capital Lease-Central Office Building Space Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative value of Central Office current month salaries and wages in Accounts 2211 through 2232 and Accounts 6211 through 6232.		✓		✓	
	Capital Lease-Distribution Services Building Space Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative value of Distribution Services current month salaries and wages in Accounts 2311 through 2441, and 6311 through 6441.	Includes storerooms, garages, warehouses, service operations centers.	✓		✓	
	Capital Lease-Network Operations Building Space Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative value of Network Operations current month salaries and wages in Accounts 6112 through 6124 (excluding 6121) and 6511 through 6535.		✓		✓	
	Capital Lease-Customer Operations Building Space Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative value of Customer Operations Cost current month salaries and wages in Accounts 6611 through 6623.		✓		✓	
	Capital Lease-Corporate Operations Building Space Cost Pool	Based on description of accounting codes and lease study.	Indirectly attributed based on relative value of Corporate Operations current month salaries and wages in Accounts 6711 through 6728.		✓		✓	

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
2681 Capital Leases (Cont.)	Capital Lease-Land and Building Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Account 2121, Buildings.					✓
2682 Leasehold Improvements	Directly Attributed Regulated Cost Pool	Based on description of accounting codes and leasehold improvement study.	Directly attributed to regulated.	Includes portions of leasehold improvements which are located on leased property that has been sublet.	✓		✓	
	Directly Attributed Nonregulated Cost Pool	Based on description of accounting codes and leasehold improvement study.	Directly attributed to nonregulated.	Pacific Bell rarely uses this pool.	✓			
	Leased-Central Office Cost Pool	Based on description of accounting codes and leasehold improvement study.	Indirectly attributed based on relative value of Central Office current month salaries and wages in Accounts 2211 through 2232 and Accounts 6211 through 6232.	Includes capital improvements made to building space obtained under capital and operating lease arrangements.	✓		✓	
	Leased-Distribution Services Cost Pool	Based on description of accounting codes and leasehold improvement study.	Indirectly attributed based on relative value of Distribution Services current month salaries and wages in Accounts 2311 through 2441 and 6311 through 6441.		✓		✓	
	Leased-Network Operations Cost Pool	Based on description of accounting codes and leasehold improvement study.	Indirectly attributed based on relative value of Network Operations current month salaries and wages in Accounts 6112 through 6124 (excluding 6121) and 6511 through 6535.		✓		✓	
	Leased-Customer Operations Cost Pool	Based on description of accounting codes and leasehold improvement study.	Indirectly attributed based on relative value of Customer Operations current month salaries and wages in Accounts 6611 through 6623.		✓		✓	

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2682 Leasehold Improvements (Cont.)	Leased-Corporate Operations Cost Pool	Based on description of accounting codes and leasehold improvement study.	Indirectly attributed based on relative value of Corporate Operations current month salaries and wages in Accounts 6711 through 6728.		✓		✓	
	Operations Leasehold Improvement Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of Operations current month salaries and wages in Accounts 2211 through 2441, 6211 through 6441, and Accounts 6531 through 6623.			✓		
	Leasehold Improvement Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative value of capital Lease Land and Building Cost Pool in Account 2681 and Land and Building Operating Rent Cost Pool in Account 6121.					✓
2690 Intangibles	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	This cost pool is rarely used by NB and the AOCs.	✓	✓	✓	✓
	Network Software Cost Pool	Based on description of accounting codes.	Indirectly attributed based on current regulated and nonregulated investment value of the Central Office Equipment in Accounts 2211 through 2232.	Includes prior Accounts 2690 and 3500.	✓	✓	✓	✓
	General Purpose Computer Software Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative value of Account 6124, General Purpose Computers Expense.	Includes prior Accounts 2690 and 3500.	✓	✓	✓	✓
3100 Accumulated Depreciation	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	The cost pool structure for accumulated depreciation is different than Telecommunications Plant in Service. Mass asset depreciation is used which does not require the same level of detail as the investment accounts.	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓	✓	✓	✓

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3100 Accumulated Depreciation (Cont.)	Central Office Equipment Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Central Office Equipment in Accounts 2211 through 2232.		✓	✓	✓	✓
	Information Origination/ Termination Equipment Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Information Origination/ Termination Equipment in Accounts 2311 through 2362, excluding investment categories directly assigned in Accounts 2311 through 2362.		✓	✓	✓	✓
	Outside Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Outside Plant in Accounts 2411 through 2441.		✓	✓	✓	✓
	General Support Asset Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of General Support Assets in Accounts 2112 through 2124.		✓	✓	✓	✓
3200 Accumulated Depreciation Held For Future Telecommunications Use	Not applicable	Not applicable.	Not applicable.	The Companies do not use this account.				
3410 Accumulated Amortization -- Capitalized Leases	Accumulated Amortization - Leases Cost Pool	Cost Pool equals account.	Indirectly attributed based on the relative investment value of Account 2681, Capital Leases.		✓		✓	✓
3420 Accumulated Amortization - Leasehold Improvements	Accumulated Amortization - Buildings Cost Pool	Cost Pool equals account.	Indirectly attributed based on relative investment value of Account 2682, Leasehold Improvements.		✓	✓	✓	✓

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4040 Customers' Deposits	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	At the present time none of the Companies' nonregulated services require customer deposits.	✓	✓	✓	✓
4100 Net Current Deferred Operating Income Taxes	Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on current regulated and nonregulated investment value of Account 2001, Total Plant In Service.	The Companies rarely use this cost pool.	✓	✓	✓	✓
	Non-Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on company current month salaries and wages.		✓	✓	✓	✓
4300 Other Long-Term Liabilities and Deferred Credits	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes prior Account 4360. Ameritech rarely uses this cost pool.	✓	✓	✓	✓

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4300 Other Long-Term Liabilities and Deferred Credits (Cont.)	Pension, Benefits and Other Cost Pool	Based on description of accounting codes.	Indirectly attributed based on company current month salaries and wages.	Accrued postretirement benefits are to be reflected in the interstate rate base pursuant to CC Docket No. 96-22 released February 20, 1997 (AAD 92-65). Includes prior Account 4310.	✓	✓	✓	✓
	Other Cost Pool	Based on description of accounting codes.	General allocator.	Includes prior Account 4360.	✓	✓	✓	✓
4340 Net Noncurrent Deferred Operating Income Taxes	Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on current regulated and nonregulated investment value of Account 2001, Total Plant In Service.		✓	✓	✓	✓
	Non-Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on company current month salaries and wages.		✓	✓	✓	✓
4370 Other Jurisdictional Liabilities And Deferred Credits-Net	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	Amounts in this account will be excluded from ratemaking in the Separations process; thus allocation between regulated and nonregulated is not necessary.	✓	✓	✓	✓
5001 - 5230	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	Includes prior Accounts 5000-5270.	✓	✓	✓	✓
5280 Nonregulated Operating Revenue	Direct Cost Pool	Cost Pool equals account.	Directly assigned to nonregulated.		✓	✓	✓	✓

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5300 Uncollectible Revenue	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes prior Accounts 5301 and/or 5302.	✓	✓	✓	
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Includes prior Accounts 5301 and/or 5302.	✓	✓	✓	
	Uncollectible Revenue – Other Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative value of regulated and nonregulated revenue in Accounts 5001 through 5100, 5230 and 5280.	Includes prior Account 5301. The AOCs do not use prior account 5302.				✓
6112 Motor Vehicle Expense	Direct Assigned Regulated	Based on description of accounting codes.	Directly Assigned Regulated.	NB, PB and SWBT rarely use this cost pool.	✓	✓	✓	✓
	Directly Assigned Nonregulated	Not applicable.	Directly Assigned Nonregulated.	The Companies do not have motor vehicle expense which can be directly assigned. Not applicable (Uniformity – Cost Pool not in use).				
	Common Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of the common cost pools (excluding the Distribution Services and Central Office cost pools) in Account 2112.	Represents the remaining expenses after clearances to construction accounts and other plant specific expense accounts.	✓	✓	✓	✓
6113 Aircraft Expense	Not applicable.	Not applicable.	Not applicable.	The Companies do not have Aircraft investment.				
6114 Tools and Other Work Equipment Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓

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6114 Tools and Other Work Equipment Expense (Cont.)	Tools and Work Equipment Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative value of current month salaries and wages in Accounts 2211 through 2441 and 6211 through 6441.		✓	✓	✓	✓
6121 Land and Building Expenses	Directly Assigned Regulated	Based on description of accounting codes.	Directly Assigned Regulated		✓	✓	✓	✓
	Directly Assigned Nonregulated	Based on description of accounting codes.	Directly Assigned Nonregulated	NB rarely uses this cost pool.	✓	✓	✓	✓
	Operating Rent Cost Pool	Based on description of accounting codes.	Directly attributed to regulated and nonregulated based on analysis of the use of the rented asset.		✓	✓	✓	✓
	Other Common Expense Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of the common cost pools in Accounts 2111, Land, and 2121, Buildings.		✓	✓	✓	✓
6122 Furniture and Artworks Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	PB and SWBT rarely use this cost pool.	✓		✓	
	Furniture Cost Pool	Based on description of accounting codes.	Indirectly attributed based on company current month salaries and wages.		✓	✓	✓	✓

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6123 Office Equipment Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓	✓	✓	✓
	Office Equipment Cost Pool	Account 6123 balance, less amount assigned to the Direct Cost Pools.	Indirectly attributed based on company current month salaries and wages.		✓	✓	✓	✓
6124 General Purpose Computers Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓	✓	✓	✓
	Directly Attributed Regulated	Based on description of accounting codes and computer usage.	Directly attributed regulated.		✓	✓	✓	✓
	Directly Attributed Nonregulated	Based on description of accounting codes and computer usage.	Directly attributed to nonregulated.	The AOCs and NB rarely use this cost pool.	✓	✓	✓	✓

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6124 General Purpose Computers Expense (Cont.)	Revenue//Billing Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on analysis of customer bills.		✓	✓	✓	
	Customer Billing and Collection Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on relative value of regulated and nonregulated revenue in Accounts 5001 through 5100, 5230 and 5280.					✓
	Plant Investment Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on current regulated and nonregulated investment value of Account 2001, Telecommunications Plant in Service.		✓	✓	✓	✓
	Directory Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on directory study.				✓	
	Personnel/Communications/Microcomputers Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on company current month salaries and wages.		✓	✓	✓	✓

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6124 General Purpose Computers Expense (Cont.)	Marketing Cost Pool	Based on description of accounting codes and computer usage.	Indirectly attributed based on the relative value of the directly assigned and attributed telco marketing costs in Accounts 6611, 6613, 6623 and 6720.		✓	✓	✓	✓
	General Operations Cost Pool	Based on description of accounting codes and computer usage.	General Allocator.		✓	✓	✓	✓
	General Computer Support Cost Pool	Account 6124 balance less amounts assigned to other cost pools.	Indirectly attributed based on relative investment value of the common cost pools in Account 2124, General Purpose Computers.		✓	✓	✓	✓
6211 Nondigital Switching Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes prior Accounts 6211 and 6215.	✓	✓	✓	✓
	Analog Cost Pool	Based on description of accounting codes and relative value of the Analog investment in Account 2211, Nondigital Switching.	Directly attributed based on current regulated and nonregulated use of the Analog investment in Account 2211, Nondigital Switching.	Includes prior Account 6211.				✓
6212 Digital Electronic Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓	✓	✓	✓
	Packet Switching Cost Pool	Based on description of accounting codes and relative value of the Packet Switch cost pool in Account 2212.	Directly attributed based on current month regulated and nonregulated use of the Packet Switching Cost Pool investment in Account 2212, Digital Electronic Switching.		✓		✓	✓

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6212 Digital Electronic Expense (Cont.)	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2212.	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2212, Digital Electronic Switching.		✓		✓	✓
	CDAR Cost Pool	Based on description of accounting codes and relative value of the CDAR cost pool in Account 2212.	Directly attributed based on current regulated and nonregulated use of CDAR Account 2212, Digital Electronic Switching investment.	PB, NB and the AOCs use monthly call volumes.	✓	✓		✓
6220 Operator Systems Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	<b>PB and SWBT</b> rarely use this cost pool.	✓		✓	
	Operator Systems Expense Cost Pool	Based on description of accounting codes.	Directly attributed based on current month regulated and nonregulated call volume usage for Operator Systems Cost Pool in Account 2220, Operator Systems.		✓	✓	✓	✓
6231 Radio Systems Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	SWBT and PB rarely use this cost pool.	✓		✓	

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6231 Radio Systems Expense (Cont.)	Signaling Cost Pool	Based on description of accounting codes and relative value of the Signaling Cost Pool in Account 2231.	Directly attributed to based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2231, Radio Systems.		✓			
6232 Circuit Equipment Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	The AOCs and NB rarely use this cost pool.	✓	✓	✓	✓
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2232.	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2232, Circuit Equipment.		✓		✓	✓
6311 Station Apparatus Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work). AOCs, PB and SWBT rarely use this pool.	✓		✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work).	✓	✓	✓	✓

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6311 Station Apparatus Expense (Cont.)	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes.	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated.	This pool is not used by the Companies. (Uniformity - cost pool not in use.)				
6341 Large Private Branch Exchange Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work).	✓		✓	
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work).	✓	✓	✓	✓
	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes.	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated.	This pool is not used by the Companies. (Uniformity - cost pool not in use.)				
6351 Public Telephone Terminal Equipment Expense	Direct Cost Pool	Cost Pool equals account.	Directly assigned to nonregulated.		✓	✓	✓	✓
6362 Other Terminal Equipment Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work).	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Includes nonregulated maintenance expense incurred on customer owned other terminal equipment. Also includes 50% of the travel associated with combination visits (i.e., jobs that include both regulated and nonregulated work).	✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6362 Other Terminal Equipment Expense (Cont.)	Common-No Access/No Trouble Found Cost Pool	Based on description of accounting codes.	Indirectly attributed to regulated based on 75% of the ratio of regulated trouble counts cleared to total trouble counts cleared, with the residual assigned to nonregulated.		✓	✓	✓	✓
6411 Poles Expense	Direct Cost Pool	<b>Cost pool equals account.</b>	Directly assigned to regulated.		✓	✓	✓	✓
6421 Aerial Cable Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Aerial Cable IP Cost Pool	Based on description of accounting codes and relative value of the Aerial Cable IP Cost Pool in Account 2421.	Directly attributed based on current month regulated and nonregulated use of the Aerial Cable IP Cost Pool investment in Account 2421, Aerial Cable.				✓	
6422 Underground Cable Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Underground Cable IP Cost Pool	Based on description of accounting codes and relative value of the Underground Cable IP Cost Pool in Account 2422.	Directly attributed based on current month regulated and nonregulated use of the Underground Cable IP Cost Pool investment in Account 2422, Underground Cable.				✓	
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2422.	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2422, Underground Cable.		✓		✓	✓
6423 Buried Cable Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6423 Buried Cable Expense (Cont.)	Buried Cable IP Cost Pool	Based on description of accounting codes and relative value of the Buried Cable IP Cost Pool in Account 2423.	Directly attributed based on current month regulated and nonregulated use of the Buried Cable IP Cost Pool investment in Account 2423, Buried Cable.	SWBT rarely uses this cost pool.			✓	
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2423.	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2423, Buried Cable.					✓
6424 Submarine and Deep Sea Cable Expense	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	Includes prior Accounts 6424 and 6425. The Companies rarely use this account.	✓	✓	✓	✓
6426 Intrabuilding Network Cable Expense	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.	NB rarely uses this account.	✓	✓	✓	✓
6431 Aerial Wire Expense	Direct Cost Pool	Cost Pool equals account.	Directly assigned to regulated.		✓	✓	✓	✓
6441 Conduit Systems Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓		✓	✓
	Signaling Cost Pool	Based on description of accounting codes and relative value of Signaling Cost Pool in Account 2441.	Directly attributed based on current month regulated and nonregulated use of the Signaling Cost Pool investment in Account 2441, Conduit.		✓		✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6511 Property Held For Future Telecommunications Use Expense	Future Use Cost Pool	Cost Pool equals account.	Indirectly attributed based on the relative investment value of Account 2002, Property Held for Future Telecommunications Use.	The AOCs rarely use this account.				✓
6512 Provisioning Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	SWBT, PB and NB rarely use this cost pool.	✓	✓	✓	
	Provisioning Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative investment value of Account 1220, Inventories.	Represents the remaining expenses after clearances to construction accounts and other plant specific expense accounts.	✓	✓	✓	✓
6531 Power Expense	Direct Cost Pool	Based on description of accounting codes	Directly assigned to regulated.	NB rarely uses this cost pool.	✓	✓	✓	✓
	Power Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of central office equipment in Accounts 2211 through 2232.		✓	✓	✓	✓
6532 Network Administration Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	NB and PB rarely use this cost pool.	✓	✓	✓	

USQA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6532 Network Administration Expense (Cont.)	Service Order Center Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of Distribution Services and Station Connections current month salaries and wages in Accounts 2311 through 2441, and 6311 through 6441.		✓	✓	✓	✓
	Network Administration Support Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of current month salaries and wages in the cost pools (excluding the Network Administration Support Cost Pool) in Account 6532, Network Administration Expense.		✓	✓	✓	✓
6533 Testing Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.	Includes the costs incurred in testing telecommunications facilities from a testing facility to determine the condition of plant.	✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	The AOCs rarely use this cost pool.	✓		✓	✓
	Subscriber Line Testing Cost Pool	Based on description of accounting codes.	Directly attributed based on trouble reports.		✓	✓	✓	✓
	Testing Support Cost Pool	Based on description of accounting codes.	Directly attributed based on relative value of current month salaries and wages in other cost pools (excluding Testing Support Cost Pool) in Account 6533, Testing Expense.		✓	✓	✓	✓
6534 Plant Operations Administration Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Ameritech rarely uses this cost pool.	✓	✓	✓	✓
	Supervision and Support Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of current month salaries and wages in Accounts 6211 through 6441.	The balance remaining in Account 6534 after clearance represents indirect supervision and support related to maintenance activities.	✓	✓	✓	✓
	Shared Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative value of current month salaries and wages in Accounts 2211 through 2690, and 6211 through 6441.		✓	✓	✓	✓

USOA Part 32 Accounts	Cost Pool Name	Cost Pool Identification	Cost Pool Apportionment Method	Comments	P	N	S	A
6535 Engineering Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.	Ameritech rarely uses this cost pool.	✓	✓	✓	✓
	Engineering - Central Office Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Accounts 2211 through 2232, Central Office Equipment.		✓	✓	✓	✓
	Engineering - Outside Plant Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Accounts 2411 through 2441, Cable and Wire Facilities.		✓	✓	✓	✓
	Engineering - Building Cost Pool	Based on description of accounting codes.	Indirectly attributed based on relative investment value of Account 2121, Buildings.		✓	✓	✓	✓
	Engineering - Common Function Cost Pool	Based on description of accounting codes.	Indirectly attributed based on the relative investment value in Accounts 2121, 2211 through 2232 and 2411 through 2441.		✓	✓	✓	✓
6540 Access Expense	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to regulated.		✓	✓	✓	✓
	Direct Cost Pool	Based on description of accounting codes.	Directly assigned to nonregulated.		✓	✓	✓	✓